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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/648,877	08/28/2000	Christopher K. Williams	5169.00001	7537

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EXAMINER	
POINVIL, FRANTZY	

ART UNIT	PAPER NUMBER
3692	

MAIL DATE	DELIVERY MODE
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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/648,877	WILLIAMS ET AL.	
	Examiner	Art Unit	
	Frantzy Poinvil	3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *16 November 2006*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *21,22,58,60,68-72,74-77 and 80* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *21,22,58, 60, 68-72, 74-77 and 80* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 11/16/2006 has been entered.

2. In the Interview dated 8/31/2006, the Examiner had indicated that pending claims contains allowable subject matter over the art of record. After a further review of the claims and the applied Cockrill et al reference, the Examiner notes that the claims 15 do not define over the applied reference and is obliged to maintain the 35 USC 103(a) rejection. The Examiner regrets the delayed process of the application.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 21, 22, 68-72, 74 and 75 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cockrill et al. (US Patent No. 6,473,740).

As per claims 21 and 68, Cockrill et al. disclose a system and method of conducting a transaction between a consumer, a merchant computer, and a billing computer connected together over a computer network, wherein the consumer purchases a product or service from the merchant computer by charging the value of the product or service to a consumer billing account. Cockrill et al further teach aggregating a multiplicity of transactions that involve the consumer and "charging the aggregated multiplicity of transactions to a consumer billing account upon the occurrence of an event. Applicant is directed to column 4, line 62 to column 5, line 16 and column 7, line 54 to column 8, lines 27-57 and column 9, lines 1-14 of Cockrill et al.

Cockrill et al further teach upon the occurrence of an event, charging the aggregated multiplicity of transactions to a consumer billing account (column 8, lines 9-22 and column 13, lines 27-57 of Cockrill et al.

As per the limitation of an unscheduled or scheduled event applicant is directed to column 5, lines 1-6 as ("when the amounts of these records exceed a threshold value, preferably determined based upon the amount at which the transaction costs for the form of payment provided by the customer become reasonable, the network generates a payment request requesting payment of the total amount"). See also column 8, lines 12-22 of Cockrill et al.

Cockrill et al further teach obtaining a pre-authorization from the consumer billing authority that permits charging a predetermined amount to the customer billing account. See column 8, lines 23-27 and column 12, lines 53-65 of Cockrill et al.

Applicant's representative argues that Cockrill et al fail to teach or suggest obtaining a first pre-authorization and then obtaining a second pre-authorization within a time period for the expiration of the first pre-authorization.

In response, it is noted that Cockrill et al do not explicitly teach obtaining a second pre-authorization from the consumer billing authority within a predetermined period of time from the step of obtaining the first pre-authorization wherein the first pre-authorization expires at the end of the predetermined period of time. As per this limitation, it is clearly seen that Cockrill et al is directed to a system and method for obtaining and granting an authorization to charge a customer's billing account from customer's billing authority.

The function of obtaining a second pre-authorization from the customer billing authority within a predetermined period of time from the function of obtaining the first pre-authorization wherein the first pre-authorization expires at the end of the predetermined period of time is merely an agreement between the customer, biller and merchant. As such, any agreement among these different entities would have been possible as long as all the involved entities agree to act on certain agreement. The Examiner notes that the system of Cockrill et al contains all the claimed structural elements to perform the claimed invention. The types of agreement such as obtaining an authorization to charge an account or to withdraw funds or to make a payment is not a patentable distinction from the system and method of Cockrill et al because in the system and method of Cockrill an agreement is made as to when to make a request for payment. Thus, the function of making the request is merely an agreement between the involved parties as such is merely a non-functional descriptive material that does not affect the system of Cockrill et al. and

because both the claimed invention and the system of Cockrill et al deal with making a request for payment when aggregated transactions reach an event.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Cockrill et al by charging a customer's billing account as would have been preferred by all involved parties using the system.

As per claim 22, Cockrill et al teach identifying one or more additional transactions that meet predetermined criteria to the consumer billing account such as the amounts of records of transactions exceeding a threshold value. See column 8, lines 12-24. Charging any other transactions is not being prevented or denied in the system of Cockrill et al. Since the purpose of Cockrill et al is to sell and make a sufficiently reasonable profit, then selling and directly charging multiplicity of transactions that meet or do not predetermined criteria such as expensive goods/services would have been made because of business and profit opportunities. Such would have been obvious by the ordinary skill in the art when modifying Cockrill et al for business and profit purposes. Cockrill et al also teach charging each transaction of the identified additional transactions to the consumer billing account. See column 8, lines 9-27.

Regarding claim 69, as per the claimed limitations of "wherein the event comprises a total monetary value of the aggregated multiplicity of transactions exceeding a monetary value", Cockrill et al teach continuing billing the consumer and performing a payment request "if the sum is greater than a billing threshold". See column 13, lines 27-57 of Cockrill et al.

Regarding claim 70, as per the claimed limitations of "a total number of the aggregated multiplicity of transactions exceeding a predetermined number". The objective of Cockrill et al is to prevent transmitting a single charge related to a single transaction of a low cost item (goods or services) performed by a consumer to a billing authority. Cockrill et al accumulate a number of transactions related to a particular consumer and subsequently request a payment to a billing authority. See column 4, line 66 to column 5, line 5 and column 9, lines 9-14. Setting a limit as to a total number of the aggregated multiplicity of transactions exceeding a predetermined number is not explicitly stated. However, such would have been obvious to do by one of ordinary skill in the art in the system of Cockrill et al so that an automatic payment request may be made once a number of transactions is made. The motivation would have been to lower merchants' transaction processing costs, thereby enabling merchants to offer for sale modestly-priced goods.

Regarding claim 71, Cockrill et al do not explicitly teach an event comprising a total time period elapsed since a transaction in the multiplicity of transactions exceeding a predetermined time period. Cockrill et al teach updating data to reflect the present time as the time of a last purchase. See column 12, lines 14-21. Cockrill et al also teach aggregating multiplicity of transactions. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have an event comprising a total time period elapsed since a transaction in the multiplicity of transactions exceeding a predetermined time period in the system of Cockrill et al in order have a further control on how to aggregate the multiplicity of transactions. The motivation would have been to have a further control on how to aggregate the multiplicity of

transactions so as to make a single payment request thereby providing other means of lowering merchants' transaction processing costs, thereby enabling merchants to offer for sale modestly-priced goods.

Regarding claim 72, a step of determining if a new transaction exceeds a predetermined monetary value and aggregating the new transaction in (a) only when the new transaction does not exceed the predetermined monetary value is not explicitly stated in Cockrill et al. Cockrill et al teach collecting transaction records and "[W]hen the amounts of these records exceed a threshold value, preferably determined based upon the amount at which the transaction costs for the form of payment provided by the customer become reasonable, the network generates a payment request requesting payment of the total amount". See column 8, lines 11-18. Thus, Cockrill et al concern as to whether one or more transactions exceed a predetermined monetary value. Cockrill et al further aggregate one or more transactions. Determining if a new transaction meets or exceeds a predetermined monetary value and aggregating the new transaction in (a) only when the new transaction does not exceed the predetermined value would have been obvious to one of ordinary skill in the art to do in modifying the system of Cockrill et al. The motivation would have been to have a further control on how to aggregate the multiplicity of transactions so as to make a single payment request thereby providing other means of lowering merchants' transaction processing costs, thereby enabling merchants to offer for sale modestly-priced goods.

As per claim 74, specifically regarding the limitation of determining at time of each transaction whether the transaction amount exceeds a pass-through amount and if so, charging the transaction amount directly to the customer billing account, as per this limitation, it is noted that the nature of the system of Cockrill et al is to sell goods or services. If a certain good/service is at a low price, the system makes a determination if the price reaches a certain threshold amount or pass-through amount. If not, the system aggregates different transactions for that consumer and performs billing accordingly. It would have been obvious to one of ordinary skill in the art to note that if an expensive good/service is bought by the consumer, the price of that expensive good/service will be above the threshold or pass- through amount and there will be no need for an aggregation of a plurality of transactions which will include that high priced good/service. Thus, the consumer's billing account would have then been billed instantly.

Furthermore, Cockrill et al state the network generates a payment request for the determined sum against the credit card, or other form of payment of the customer. In a preferred embodiment, the generated payment request has two parts: an authorization request, and a settlement request. The authorization request requests the authority to charge the amount, while the settlement request requests actual payment of the amount". See column 13, lines 27-57. This request is made if the amount is at a particular amount such as exceeding a transaction amount.

Furthermore, the manner of charging the customer as claimed is not unobvious when viewing Cockrill et al because in finalizing a financial transaction involving the purchasing of a good or service, the customer involved in the particular transaction is usually billed for the supplied goods or services. Thus, charging the customer at the time of transaction or at a

predetermined time would have been left to the entities involved in the transaction, and that any of the alternative would have been obvious to do by one of ordinary skill in the art when viewing Cockrill et al.

As per claim 75, Cockrill et al discloses analyzing the cost for each particular transaction for a given customer. Determining whether or not to perform steps a) and b) based on the type of each transaction would have been obvious to do in the system of Cockrill et al depending on the cost and/or processing fees of each transaction.

4. Claims 58, 60, 76, 77 and 80 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cockrill et al. (US Patent No. 6,473,740) in view of the article entitled "Ambalink Launches secure Online shopping in the UK".

As per claim 58, Cockrill et al disclose a system and method of conducting a multiplicity of transactions between a consumer and at least one merchant computer at a billing computer. See the abstract. Cockrill et al teach:

The consumer, the at least one merchant and the billing computer are connected over a network (see figure 1);

Each transaction is for a product or service that the consumer purchases using the at least one merchant computer (see column 9, lines 1-10 and column 3, lines 57-62);

The method comprises the steps of conducting for each of the multiplicity of transactions of initiating the transaction for the product or service. (column 9, lines 1-10 and column 3, lines 57-62).

Cockrill et al do not explicitly state receiving an authorization from the consumer indicating authorization to conduct the transaction, determining whether to approve the transaction by considering the authorization and transmitting approval to conduct the transaction to the merchant computer if the transaction is approved.

The Ambalink system discloses a system and method of conducting a transaction between a consumer, a merchant computer, and a billing computer connected together over a computer network, wherein the consumer purchases a product or service from the merchant computer by charging the value of the product or service to a consumer billing account. In the Ambalink system, customers' accounts are charged for transactions performed by the customers, and consumers indicate authorization to conduct a transaction based on an authorization and fulfilling the transaction if the transaction is approved by the merchant. See the entire article. In the Ambalink system the billing computer does not transmit information identifying the consumer billing account to the merchant computer.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate the teachings of the Ambalink into the system of Cockrill et al in order to provide a secure system so as to provide unauthorized transactions from occurring.

Cockrill et al. further disclose all the claimed features, particularly, a system and method of conducting a transaction between a consumer, a merchant computer, and a billing computer connected together over a computer network, wherein the consumer purchases a product or service from the merchant computer by charging the value of the product or service to a consumer billing account. Cockrill et al further teach "aggregating a multiplicity of transactions that involve the consumer" and "charging the aggregated multiplicity of transactions to a

consumer billing account" upon the occurrence of an event. Applicant is directed to column 4, line 62 to column 5, line 16 and column 7, line 54 to column 8, line 27 and column 9, lines 1-14 of Cockrill et al.

Cockrill et al do not explicitly teach "comparing the transaction amount to a predetermined pass-through amount and changing the transaction amount directly to a consumer billing account if the transaction amount equals or exceeds the predetermined pass-through amount". As per this limitation, it is noted that the nature of the system of Cockrill et al is to sell goods or services. If a certain good/service is at a low price, the system makes a determination if the price reaches a certain threshold amount or pass-through amount. If not, the system aggregates different transactions for that consumer and performs billing accordingly. It would have been obvious to one of ordinary skill in the art to note that if an expensive good/service is bought by the consumer, the price of that expensive good/service will be above the threshold or pass- through amount and there will be no need for an aggregation of a plurality of transactions which will include that high priced good/service. Thus, the consumer's billing account would have then been billed.

Furthermore, Cockrill et al state the network generates a payment request for the determined sum against the credit card, or other form of payment of the customer. In a preferred embodiment, the generated payment request has two parts: an authorization request, and a settlement request. The authorization request requests the authority to charge the amount, while the settlement request requests actual payment of the amount". See column 13, lines 57. This request is made if the amount is at a particular amount such as exceeding a transaction amount.

Furthermore, the manner of charging the customer as claimed is not unobvious when viewing Cockrill et al because in finalizing a financial transaction involving the purchasing of a good or service, the customer involved in the particular transaction is usually billed for the supplied goods or services. Thus, charging the customer at the time of transaction or at a predetermined time would have been left to the entities involved in the transaction, and that any of the alternative would have been obvious to do by one of ordinary skill in the art when viewing "Cockrill et al.

As per the functions of aggregating the transaction if the transaction amount does not equal or exceed the predetermined pass-through amount and charging the set of aggregated transactions to a consumer billing account upon the occurrence of an event, applicant is directed to column 4, line 62 to column 5, line 16 and column 7, line 54 to column 8, line 27 and column 9, lines 1-14 of Cockrill et al.

As per claim 60, claim 60 contains limitations recited in independent claim 58 and these limitations are rejected under a similar rationale. Claim 60 further recites a step of "obtaining from the consumer billing authority a pre-authorization that permits charging a predetermined amount to the consumer billing account". As per this limitation, applicant is directed to column 5, lines 1-6 as ("when the amounts of these records exceed a threshold value, preferably determined based upon the amount at which the transaction costs for the form of payment provided by the customer become reasonable, the network generates a payment request requesting payment of the total amount"). See also column 8, lines 12-22 of Cockrill et al.

As per claim76, Cockrill et al state the network generates a payment request for the determined sum against the credit card, or other form of payment of the customer. In a preferred embodiment, the generated payment request has two parts: an authorization request, and a settlement request. The authorization request requests the authority to charge the amount, while the settlement request requests actual payment of the amount. See column 13, lines 57. This request is made if the amount is at a particular amount such as exceeding a transaction amount. As per the limitation of "re-obtaining pre-authorization based on a predetermined period of time expiring from the previous pre-authorization", the Examiner asserts that if the time limit of a pre-authorization is expired, and the involved entities such as the customer and the billing authority desire to conduct transaction, then re-obtaining a pre-authorization based on a predetermined period of time expiring from a previous pre-authorization would have been obvious to one of ordinary skill in the art to note and to do so as to continue conducting business between the involved entities in the case a payment is required to be administered.

Furthermore, Cockrill et al further teach obtaining a pre-authorization from the consumer billing authority that permits charging a predetermined amount to the customer billing account. See column 8, lines 23-27 and column 12, lines 53-65 of Cockrill et al.

The function of obtaining a second pre-authorization from the customer billing authority within a predetermined period of time from the function of obtaining the first pre-authorization wherein the first pre-authorization expires at the end of the predetermined period of time is merely an agreement between the customer, biller and merchant. As such, any agreement among these different entities would have been possible as long as all the involved entities agree to act on certain agreement. The Examiner notes that the system of Cockrill et al contains all the

claimed structural elements to perform the claimed invention. The types of agreement such as obtaining an authorization to charge an account or to withdraw funds or to make a payment is not a patentable distinction from the system and method of Cockrill et al because in the system and method of Cockrill an agreement is also made as to when to make a request for payment. Thus, the function of making the request is merely an agreement between the involved parties as such is merely a non-functional descriptive material that does not affect the system of Cockrill et al. and because both the claimed invention and the system of Cockrill et al deal with making a request for payment when aggregated transactions reach an event.

As per claims 77, in the Ambalink system, the consumer must sign a payment request using his/her secret code or authorization. Ambalink teaches redirecting the consumer to a web site of the billing computer for receiving the authorization code. See page 2 of the article.

As per claim 80, the event in the system of Cockrill et al comprises either a total monetary value of the aggregated multiplicity of transactions exceeding a predetermined monetary value or expiration of a predetermined time period. See column 13, lines 27-57 of Cockrill et al.

Conclusion

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Frantzy Poinvil whose telephone number is (571) 272-6797. The examiner can normally be reached on Monday-Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on (571) 272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Frantzy Poinvil
Primary Examiner
Art Unit 3692

FP
January 24, 2007